

HUNTON
WILLIAMS

1900 K STREET, N.W.
WASHINGTON, D.C. 20006-1109

TEL 202 • 955 • 1500
FAX 202 • 778 • 2201

ARNOLD H. QUINT
DIRECT DIAL: 202-955-1542
EMAIL: aquint@hunton.com

FILE NO: 55430.000044

October 16, 2001

By Hand

Office of Fossil Energy
Office of Coal & Power Im/Ex, FE-27
1000 Independence Avenue, S.W.
Washington, D.C. 20585-0350



Attention: Ms. Ellen Russell

Dear Ms. Russell:

Enclosed herewith is an original and fourteen copies of the "Application of New York Independent System Operator, Inc. for Modification of Authorization to Transmit Energy to Canada, for Renewal of Authorization and for Expedited Action." I am also enclosing a check in the amount of \$500.00 made payable to the Treasury of the United States.

Please call me if you have any questions. Thank you for your assistance.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Arnold H. Quint". The signature is fluid and cursive, written over the typed name.

Arnold H. Quint

cc (w/o enc.): Federal Energy Regulatory Commission
New York Public Service Commission

UNITED STATES OF AMERICA
THE DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

New York Independent System Operator, Inc.)

Docket No. _____

**APPLICATION OF
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.
FOR MODIFICATION OF
AUTHORIZATION TO TRANSMIT ENERGY TO CANADA,
FOR RENEWAL OF AUTHORIZATION AND FOR EXPEDITED ACTION**

The New York Independent System Operator, Inc. ("NYISO"), pursuant to Section 202(e) of the Federal Power Act ("FPA"), 16 U.S.C. § 824a(e), and 10 C.F.R. §§ 205.300 *et seq.*, hereby requests (1) modification of the Order Authorizing Electricity Exports to Canada issued September 7, 2000 in FE Docket No. EA-227 ("the September 7, 2000 Order"); (2) that the authorization be renewed for an additional five years and (3) for the reasons provided in this Application, that the Department of Energy act expeditiously on this Application. In support of its Application, the NYISO states as follows:

I. DESCRIPTION OF APPLICANT

The exact legal name of applicant is New York Independent System Operator, Inc. The NYISO is a not-for-profit corporation formed under New York law with its principal place of business at 3890 Carman Road, Schenectady, NY 12303.

The NYISO does not own or control any electric power generation facilities, nor does it have a franchised electric power service area. The NYISO does possess operational control over the transmission facilities in the state of New York. Those facilities continue to be owned by a group formerly known as the Member Systems of the New York Power Pool. The New York Power Pool consisted of Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., the Long Island Power Authority, New York State Electric & Gas

Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., Rochester Gas and Electric Corporation, and the Power Authority of the State of New York.

II. COMMUNICATIONS

Communications regarding this Application should be addressed to the following:

Michael C. Calimano
Vice President Operations & Reliability
Robert E. Fernandez
General Counsel
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303

Arnold H. Quint
Hunton & Williams
1900 K Street, N.W.
Suite 1200
Washington, DC 20006
Phone: (202) 955-1542
Fax: (202) 778-2201

III. REQUEST FOR MODIFICATION OF ORDER

From time to time, the Ontario Control Area or the Quebec Control Area may have insufficient operating reserve available on their systems, or need to supplement available resources to cover sudden and unforeseen circumstances, such as loss of equipment or forecast errors. In such situations, either Control Area may need to purchase emergency energy in order to ensure reliability. Before the NYISO supplies emergency energy to Canada, the NYISO will evaluate: (1) the safe and proper operation of its own system; (2) the furnishing of economical, dependable, and satisfactory services to its own customers; and (3) its obligations to other parties. To the maximum extent consistent with the results of those considerations, the NYISO will make available emergency energy from its available generating capability in excess of its load requirements up to the transfer limits in use between the two respective control areas when a system emergency exists on Ontario's or Quebec's system or on the system of a third-party control area.

In the September 7, 2000 Order, the Department of Energy authorized the NYISO to export electric energy using certain existing transmission facilities located at the U.S. border

with Canada. The September 7, 2000 Order limited total exports to Ontario on the facilities authorized by Presidential Permits PP-25, PP-30, PP-74 and PP-190 to a combined instantaneous transmission rate of 550 MW. The September 7, 2000 Order also contained a number of other terms and conditions not relevant here.

The 550 MW limit appears to have been taken from a report entitled "Load and Capacity Data, 1995 Report of the Member Systems of the New York Power Pool." Subsequent to its commencement of operations in November, 1999, the NYISO has been preparing a comparable report. A copy of the 2001 Report is attached. The information in the report was filed with the New York State Energy Planning Board pursuant to Section 6-106 of the New York State Energy Law.

As may be seen in page 120 of the 2001 Report, the normal power transfer limit from New York to Ontario is 1675 MW. In these circumstances, the NYISO requests that the Department of Energy increase the limit on transfers from New York to Ontario to 1675 MW. Emergency sales to Canada will necessarily be limited to the transfer limits actually in place when a system emergency exists, which limits may at times be higher or lower than the 1675 normal transfer limit depending on system conditions. Moreover, any sales of emergency energy will only occur when use of the transmission lines has not already been scheduled for other purposes. Indeed, when the lines are fully utilized, Ontario would be indifferent as to whether the transaction is previously scheduled or considered to be an emergency sale.

This request is to modify the September 7, 2000 Order to reflect the normal power transfer limit of the facilities in place between New York and Ontario. Those facilities have an emergency rating (without loop flow) of 2150 MW that may be available for limited periods of time.

IV. RENEWAL OF AUTHORIZATION

The NYISO expects to continue to have arrangements under which it could supply emergency energy to Ontario and Quebec in order to ensure reliability. Those arrangements are expected to continue well beyond September 6, 2002, the date which is two (2) years from the date of the Order.

Because the NYISO expects to be in a position to assist Ontario and Quebec by exporting energy during an emergency, the NYISO requests that the authorization to export electric energy be renewed for an additional five years.

V. ATTACHMENT

A copy of the 2001 Load and Capacity Data report prepared by the New York Independent System Operator, Inc. is attached.

VI. REQUEST FOR EXPEDITED ACTION

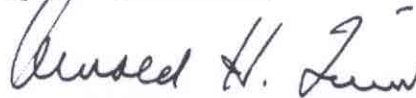
With the winter season rapidly approaching, approval on an expedited basis is appropriate. Ontario has requested that the NYISO to be fully prepared to assist Ontario should an emergency occur. As a result, the NYISO requests a shortening of the public comment period to permit expedited action on this Application.

VII. CONCLUSION

The New York Independent System Operator, Inc. respectfully requests that the Order Authorizing Electricity Exports to Canada be modified to increase the export limit to Ontario from 550 MW to 1675 MW, that the authorization to export to Canada be renewed for an

additional five years and that the limitation with respect to exports to Ontario be modified as expeditiously as possible so as to permit the increased limit to be available for this winter.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Arnold H. Quint", written over a horizontal line.

Arnold H. Quint
HUNTON & WILLIAMS
Attorney for
The New York Independent System Operator, Inc.

Dated: October 16, 2001

Attachment